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January 10, 1983

Ms. Karen Eisen  
PHILIP MORRIS U.S.A.  
120 Park Avenue  
New York, NY 10017

Dear Karen:

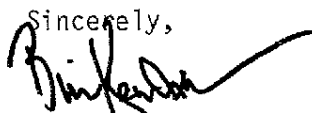
This letter will serve to summarize the sampling plan that was used for the Northwind and Deluxe Ultra Light research conducted in 1982. The procedure procedure, using menthol test markets (incidence = 10%) as an example, is as follows:

1. Assume 4 dialings to generate 1 contact.
2. Assume a 10% incidence rate for respondent qualification.
3. If  $N$  = the number of interviews to be completed in a given geographic area, the formula for determining the total amount of numbers to be used is:  
$$N \div 10\% \times 4$$
4. The total amount of numbers required is then divided by 10, and the quantity of telephone numbers is drawn from the appropriate directories on an "Nth number" basis.
5. Each number selected is expanded into 10 additional numbers by adding a value of 10 to the last two integers. This procedure brings the total number of telephone listings available for dialing back to the total required by the formula in Step 3.
6. For subsequent waves, the numbers used in Wave I are modified by a value of 20 for the last two integers for Wave II, 30 for Wave III, and so on.

Karen, because of the fact that we are dealing with low incidence rates and a large number of interviews over four weeks, this type of sampling procedure presents some problems. I can discuss this further with you, as well as offer some suggestions, at an appropriate time.

Please let me know if I can provide further clarification on any of the points noted above.

Sincerely,

  
William E. Kendall  
Executive Vice President  
WINONA/Minneapolis

WEK:rms

low incidence  
country control.  
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